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Directorate of Intelligence

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Latin America Review

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6 July 1984

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Articles

Cuba: Weighing Policy Options Toward Argentina and Chile 3.5(c)

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Havana apparently is undertaking one of its periodic reassessments of policy toward key South American countries. Castro is facing a major dilemma over conflicting goals in Argentina and Chile. On the one hand, he has long aspired to support, and even sponsor, an armed rebellion led by the radical left to overthrow the Pinochet regime. As unrest has periodically flared in Chile, Cuban leaders have hoped that conditions there might be ripening to the point where Pinochet would finally be forced from office. On the other hand, Castro reportedly worries that increased meddling in Chile would harm Havana's relations with Buenos Aires, which have continued to warm since the inauguration of President Alfonsin last December.

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Because prospects for ousting Pinochet in 1984 do not appear promising—and we suspect the Cubans increasingly will share this assessment—we believe that Cuba's policy review will reaffirm the overall guidelines governing its actions toward South America during the past two-and-a-half years. We believe Cuban policymakers, in the near term at least, will keep their support for Chilean radical groups in a low key to avoid antagonizing Buenos Aires. They also probably wish to avoid jeopardizing Havana's drive to improve ties with other South American countries or to undercut their propaganda campaign—dictated largely by concerns over Central America—that portrays Cuba as a responsible international actor.

Only in the unlikely event that the anti-Pinochet movement develops into an open insurgency—with radical leftist groups in the forefront—would Castro, in our view, be inclined to jettison his current approach and provide major support and direction to these groups. Otherwise, Havana probably will continue striving to enhance its relations with the Alfonsin government through increased trade, exchanges of high-level visitors, and closer consultation on international issues. The Cubans already are angling for several high-ranking Argentine officials to visit Havana, and Castro may soon seek an invitation to visit Buenos Aires. 3.5(c)

Developing Relations With Argentina

From the start of Cuba's campaign to strengthen ties with South America, Cuban planners have assigned a high priority to Argentina. The turnaround in Havana's relations with Buenos Aires occasioned by the Falklands crisis was striking. As of March 1982, according to reporting of the US Interests Section in Havana, relations were cool and worsening. Havana had kept its Ambassador away from Buenos Aires for over a year to show disapproval of Argentine support for the US position in Central America. Buenos Aires had reciprocated by withdrawing its representative in Havana. The Cuban media increasingly referred to Argentina as one of the "repressive tyrannies" considered by Castro to be "beyond the pale." Within days after Argentina invaded the Falkland Islands in April 1982, however, Havana rushed its Ambassador to Buenos Aires, reportedly with instructions to express firm Cuban support. Cuban Vice President Rodriguez announced that Havana was even willing to supply direct military aid.

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Buenos Aires responded in kind. Its Ambassador returned to Havana shortly after the crisis erupted and began preparing for a visit by the Argentine Foreign Minister in May 1982. The Ambassador also helped to extend the expiration date of Argentina's $1.2 billion line of credit to Cuba, which had been negotiated in 1973 but was about to lapse. Both he and his replacement, who arrived in Havana that September, were welcomed enthusiastically and given an entree to high-level Cuban officials rarely accorded to non-Communist diplomatic personnel.

Havana and Buenos Aires quickly developed mutually beneficial collaborative relationships in international settings that focused ostensibly on promoting pro-Argentine and anti-US resolutions related to the Falklands. Despite the apparent cordiality, however, both sides remained wary. Some Argentine officials were leery that close relations would give the Cubans an opening to revive insurgency by the terrorist Montoneros and others. The Cubans were cautious because of their animosity toward the Argentine military, which had decimated the pro-Castro Montoneros in the mid-1970s. Reflecting this caution, Havana and Buenos Aires concentrated on expanding economic ties, and by 1983 Cuba had become Argentina's third-largest export market in Latin America.

Cuba's economic difficulties were a further motivating factor. Havana recognized the opportunity that Argentina's export requirements offered for hard bargaining, however, and successfully pressed the Argentines for concessions, such as unprecedented credits for grain shipments.

We believe the Cubans may also have been responding to advice from Moscow—to which Argentina is important as a grain supplier—that Havana restrict itself to trade while marking time on the political front.

Courting Alfonsin

Judging by Cuban news commentary Havana expected a Peronist victory and was as surprised as most outside observers when Alfonsin and his Radical Party were the winners. Leaping at the chance to portray Cuban diplomacy as functioning normally following the Grenada debacle, the Cubans sent Vice President Rodriguez at the head of a large delegation to the inauguration last December. Rodriguez met with Alfonsin and other senior officials. Publicly and privately, he exuded satisfaction over the Castro government's relations with Buenos Aires.

Havana soon announced it was sending a senior diplomat as its new Ambassador to Buenos Aires, reportedly because it believed its previous representative had been identified too closely with the Peronists. At the time, a Cuban foreign affairs official reportedly commented that Havana regarded Cuban-Argentine relations to be at their best point in recent history.

Reflecting this climate, in March 1984 several trade and technical cooperation agreements were concluded. These included Argentine credits worth $200 million annually for the next three years, additional credits for Cuban purchases of Argentine agricultural products, and plans for joint ventures in fisheries and other industries. As noted by the US Embassy in Buenos Aires, full utilization of the Argentine credits could result in Argentina becoming Cuba's largest non-Communist lender.

At the same time, according to Foreign Minister Caputo, the Alfonsin government warned Havana that support for Argentine terrorists would be considered a hostile act, presumably resulting in the termination of economic ties. Moreover, Buenos Aires closely monitors the activities of the Cuban Embassy

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Cuba-Argentina: Key Economic Developments June 1982–May 1984

1982

June — Argentina agrees to extend for one year the remainder—about $300 million—of $1.2 billion line of credit originally opened in 1973 due to expire on 30 June.

July — Cuban Vice Minister of Foreign Trade, attending special SELA session in Buenos Aires, discusses greater bilateral trade but fails to persuade the Argentines to provide credits for exports of foodstuffs.

September — High-level Cuban delegation signs a trade and financing agreement further extending the 1973 credit; secures Argentine approval of a moratorium until 1985 on $100 million in Cuban debts falling due through September 1982.

1983

March — For the first time, Argentina agrees to provide credits of $68 million for foodstuffs purchased during 1983.

June — Top Cuban trade official obtains additional long-term credits of $100 million and reaches agreement on purchase of four Argentine ships for $60 million.

July — Argentine trade delegation, including 40 businessmen, visits Cuba to negotiate adjustments in existing Argentine credits and to increase credits for exports of Argentine foodstuffs.

Agreement on rescheduling of Cuban debt of about $100 million falling due during October 1982–December 1983.

October — Cuban Ministry of Foreign Trade delegation visits Buenos Aires to arrange purchases under the credits granted in July.

December — Vice President Rodriguez, heading delegation to inauguration of President Alfonsin, reportedly tells Argentines Havana has targeted purchases of Argentine goods at $200 million in 1984, up from $125 million in 1983; requests increased Argentine credits, discusses a new bilateral trade agreement, and presses for a meeting of the bilateral working group on foreign commerce.

Argentina increases credit to $105 million for Cuban purchases of foodstuffs in 1984.

1984

March — Argentine Secretary of Commerce leads government/private-sector delegation to Cuba and concludes an Economic Cooperation Agreement replacing the 1973 accord; it provides $200 million annually in new credits through 1986. Third meeting of bilateral working group on foreign commerce produces several preliminary accords and creates new commission for economic and industrial cooperation. Arrangements made for exhibition of Argentine products in Havana in September.

April — Bank of Cuba representatives meet with Argentine Central Bank officials in Buenos Aires to discuss implementing credit arrangements under the Economic Cooperation Agreement.

May — Argentine Chamber of Deputies delegation discusses mutual assistance agreements in science, technology, and rural housing with Cuban officials.

High-level Cuban delegation scheduled to visit Buenos Aires in July for first meeting of economic and industrial cooperation commission; will complete negotiations on preliminary agreements reached in March in Havana.

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Although Cuban hardliners probably continue to advocate more active support for the Montoneros—particularly within Argentina—they apparently have not prevailed.

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a Cuban foreign affairs official said in May that Castro had instructed the Embassy in Buenos Aires to give complete support to the Alfonsin government.

Meanwhile, Cuban officials have continued to shower high-level attention on visiting Argentine officials, such as the delegation to a recent SELA meeting in Havana and a parliamentary group that visited in May. Havana reportedly has informally broached the possibility of visits by the Argentine Ministers of Economy and Foreign Affairs, but we have no indication of the response.

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, Castro earlier this year was considering a trip to Buenos Aires to sign an economic-cultural agreement, but Foreign Minister Caputo informed our Embassy that Argentina had no plans to invite him. Nevertheless, we believe that if the two capitals maintain their current pace of high-level contacts—Cuba's Minister for Economic Cooperation is scheduled to visit Buenos Aires for trade talks in July—Castro may actively push for a formal invitation to visit Argentina in 1985.

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Targeting Chile

Of all the South American governments coming to power during the past two decades, Castro's strongest animosity has been directed toward the Pinochet regime. Following the overthrow of the Cuban-backed Allende government in 1973, Castro promised to provide opponents of the military junta with "all the aid in Cuba's power." Nevertheless, as the prospects of the Chilean left—and of opponents of the regime in general—languished, Havana apparently realized it had little chance to change the situation.

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In line with Castro's general policy during the 1970s of downplaying "armed struggle" in Latin America, Havana provided only minimal support to Chilean radical leftists until near the end of the decade. With the ranks of Chilean insurgents decimated by the security services—as occurred in most countries during this period—Cuba could offer little more than safehaven and training, principally to exiled members of the Movement of the Revolutionary Left (MIR). Havana was careful, however, to maintain contact—often bolstered by financial contributions—with Chilean exiles in Western Europe and elsewhere.

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The seizures of power by the Sandinistas in Nicaragua and Maurice Bishop in Grenada in 1979 led Havana to espouse "armed struggle" again. Although applied primarily in Central America, Cuban leaders apparently also believed that their new "insurrectionist line" might be effective in other, carefully selected cases. In mid-1979, Castro told visiting Chilean leftists that developments in Nicaragua demonstrated that the Chilean situation could not be resolved without military action. Cuban training of Chilean leftists reportedly increased, and several groups were infiltrated into Chile during 1979-80.

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The resulting surge in terrorist activity, however, was counteracted successfully by Chilean security forces, and by early 1981 the MIR reportedly suspended operations for several months. The ineffectiveness of the Chilean leftists, and Havana's decision by late 1981 to try to improve its relations generally with Latin American governments, caused Cuba to revert to a policy of low-key suppor

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The eruption of serious discontent in Chile during 1983, however, evidently prompted Cuban leaders to conclude that a viable opposition movement against Pinochet was about to be created. The Cuban media portrayed public demonstrations and the numerous confrontations with security forces as evidence of Pinochet's growing isolation and that "progressive forces" were likely to oust him soon

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the Cubans hoped radical leftist groups would play a leading role in the anti-Pinochet movement. They were optimistic that

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the MIR and other militants—trained in Cuba and directed by Havana—would ultimately lead a successful armed rebellion. Once again, however, Havana's expectations were not met.

By late 1983, the anti-Pinochet protest movement faltered, violent tactics were rejected by most opposition political forces, and radical groups were isolated. Moreover, the MIR suffered a blow in September when security forces wiped out a key commando group and followed up by repressing other MIR personnel. As a result, the MIR leadership concluded that Chilean security had effectively penetrated their movement, ordered a halt to violent tactics until further notice, and sent 30 or more party militants to safehaven in Cuba.

Some evidence suggests that Cuban policymakers were confused about political developments in Chile during this period.

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Nevertheless, Havana still wants to lay the foundation for an eventual large-scale insurgency. To that end, the Cubans reportedly are seeking to promote closer ties and greater cohesiveness among radical groups, including the MIR, the Communist Party, and the terrorist factions of the Socialist Party.

Those supporting this decision reportedly argued that it is fundamental to maintain an armed presence in Chile if ever the MIR hopes to mobilize popular support against Pinochet.

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Castro is reconsidering his support to the Chilean left because of President Alfonsin's likely reaction.

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For example, revelations of Cuban Embassy personnel dealing with the MIR in Argentina could seriously set back otherwise warming relations with Buenos Aires.

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Prospects

In our view, Castro's pragmatism probably will lead him to recognize that "objective conditions" in Chile are not yet propitious for a major "armed struggle" effort led by the radical leftists. In any case, a substantial expenditure of Cuban resources would be necessary to sustain such an effort, and Cuba's Central American commitment is likely to have first priority for some time. Moreover, the damage to Havana's propaganda campaign and its drive to improve diplomatic ties with Venezuela, Colombia, and Peru would be extensive, as Castro undoubtedly realizes. Finally, Havana probably believes that for now the benefits flowing from its expanding economic ties with Buenos Aires should not be risked for the sake of the dubious short-term gains that accelerating its Chilean activities might bring.

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Nevertheless, if political agitation in Chile unexpectedly assumes major proportions in the near future, we believe Castro could not resist the temptation to expand Cuba's commitment to the radical leftists. Short of this, Havana probably will continue to provide only modest support—such as training and some financing—in order not to provoke the Argentines.

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